

FISCAL NOTE

Bill #: HB0688

Title: Health and disability insurance policies without mandated coverage

Primary Sponsor: Younkin, C

Status: As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
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Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
State Special Revenue	\$169,600	\$0
Revenue:		
State Special Revenue	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

State Auditor's Office

1. The State Auditor's Office (SAO) estimates there are 847 health issuers doing business in Montana with disability insurance authority including both life and property/casualty insurers.
2. Section 2 of this bill requires each health insurance issuer to offer at least two types of health benefit plans, one with state-mandated benefits and one without.
3. The SAO estimates that 50 percent of the 847 issuers currently do not have a health benefit plan approved by the SAO. One-half of the health issuers would need to file the two plans addressed in assumption 2, and the other 423 issuers would need to file the limited-benefits contract that would meet federal guidelines.
4. Assume a federal agency will review the limited-benefits plan for these issuers for compliance of federally mandated benefits. SAO will review all 847 limited-benefits plans for general compliance with 33-1-502, MCA, and any other applicable statutes. SAO will absorb the cost and workload associated with the review of limited-benefits plans.
5. SAO will contract with an insurance compliance and contracts company to review the state-mandated plans. The SAO received an estimate from an insurance compliance and contracts company. To review

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the filings of the 424 insurers at \$100 per hour, it would take an average of four hours per review at \$100 per hour. The total cost is \$169,600.

Department of Administration

6. Provisions under this bill do not apply to the state employee health program.
7. There is no fiscal impact to the department.

FISCAL IMPACT:

State Auditor's Office

Program (03) Insurance

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
<u>Expenditures:</u>		
Operating Expenses	\$169,600	\$0
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$169,600	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	(\$169,600)	\$0